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SENATE BILL 2946

By Womack

AN ACT to amend Tennessee Code Annotated, Section 8-36-701, relative to cost-of-living increases for retired members of the Tennessee Consolidated Retirement System.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-36-701, is amended by adding the following as a new subsection (c) and by redesignating the existing subsections accordingly:

(c) (1) Effective July 1, 2000, if the percentage increase in the consumer price index, as determined in accordance with subdivision (a)(1), is four percent (4%) or more, the retirement allowance payable to each beneficiary in receipt of an allowance prior to the July 1 next following shall be increased commencing on such July 1 by an amount determined by multiplying the beneficiary's then current retirement allowance by a percentage equal to: (i) three percent (3%), plus (ii) one-half ($1/2$) of the difference between the actual percentage increase in the consumer price index and three percent (3%), but not to exceed eight percent (8%). This adjustment provision shall be in lieu of the adjustments provided for in subsections (a) and (b) hereof.

(2) Notwithstanding any provision of the law to the contrary, this subsection (c) shall not apply to individuals who are members of the retirement system by virtue of their employment with any employer participating in the retirement system pursuant to

chapter 35 of this title unless the governing body of any such employer passes a resolution to accept the associated liability and costs to provide such benefits. This increase in benefits will become effective following the adoption of the resolution. No retroactive benefits are to be paid under the provisions of this subsection.

SECTION 2. The provisions of this act shall be subject to the funding being provided in the general appropriations act.

SECTION 3. This act shall take effect on July 1, 2000, the public welfare requiring it.